

# **State of Alaska FY2009 Governor's Operating Budget**

## **Department of Transportation/Public Facilities Statewide Facility Maintenance and Operations Results Delivery Unit Budget Summary**

## Statewide Facility Maintenance and Operations Results Delivery Unit

### Contribution to Department's Mission

Provide cost-effective, environmentally sound and reliable public facilities.

### Core Services

Provide preventative maintenance, routine maintenance, repair work, and minor construction for 708 state facilities totaling over 2,647,733 square feet.

Furnish basic services and utilities, such as electricity, water, sewer, waste disposal, janitorial, heating, grounds maintenance, and snow removal for state-owned facilities.

Perform or procure contracts for remodeling and repairs required by building occupants or needed to meet changing building codes and new regulations such as the Americans with Disabilities Act.

Provide and procure contracts for major maintenance, including renewal and replacement of worn-out, inefficient and outdated building components, mechanical systems, flooring, ceilings, windows, and window and wall coverings.

End Result	Strategies to Achieve End Result
<p><b>A: Maintain state owned facilities to appropriate department standards.</b></p> <p><u>Target #1:</u> Increase customer satisfaction with DOT&amp;PF facilities to 80%.</p> <p><u>Measure #1:</u> Percent of customer satisfaction based on survey of customers.</p>	<p><b>A1: Improve the quality of DOT&amp;PF facilities.</b></p> <p><u>Target #1:</u> Complete 90% of all work requests on time.</p> <p><u>Measure #1:</u> Percentage of work requests completed on time.</p> <p><b>A2: Reduce facility operating costs with new technologies and system upgrades.</b></p> <p><u>Target #1:</u> Expend 2% of the annual operating budget (minus utilities) for energy saving upgrades.</p> <p><u>Measure #1:</u> The percentage of annual expenditures specifically for energy saving upgrades.</p> <p><u>Target #2:</u> Increase preventative maintenance on time completion to 90%.</p> <p><u>Measure #2:</u> Percent of preventative maintenance completed on time.</p> <p><b>A3: Carry out safe DOT&amp;PF operations.</b></p> <p><u>Target #1:</u> 10% increase in employees successfully completing required safety training.</p> <p><u>Measure #1:</u> Percent of employees completing required safety training.</p>

### Major Activities to Advance Strategies

- Expand use of Facility Maintenance Management System
- Continue to install energy savings devices
- Conduct safety training and audits - work with Department of Labor and Workforce Development

## FY2009 Resources Allocated to Achieve Results

FY2009 Results Delivery Unit Budget: \$19,836,300

## Personnel:

Full time	77
Part time	6
<b>Total</b>	<b>83</b>

## Performance Measure Detail

## A: Result - Maintain state owned facilities to appropriate department standards.

**Target #1:** Increase customer satisfaction with DOT&PF facilities to 80%.**Measure #1:** Percent of customer satisfaction based on survey of customers.

## Customer Satisfaction

Year	YTD
2005	85%
2006	83%
2007	88%

*Results are reported on a calendar year basis.*

**Analysis of results and challenges:** DOT&PF managed facilities are used not only by department personnel but also by many of the other state departments. An annual survey is conducted of state facility occupants. The positive result from this survey indicates that the occupants of state facilities managed by DOT&PF are satisfied with the services provided by the department. Crews have been working diligently on deferred maintenance projects and emergency work requests repairing damage from vandalism, floods, and lightning strikes. Other State departments are providing funding for some capital projects that upgrade some of these facilities. The occupants' responses may be reflective of improvements provided in FY07.

It is clearly evident that customer satisfaction is linked to the service attitude of facilities staff and the development of user agreements that identify the expected level of service. The department receives numerous compliments from user agencies after work is completed. Our goal is to continue to achieve satisfactory ratings from other agencies and provide useful work environs for state agencies.

## A1: Strategy - Improve the quality of DOT&amp;PF facilities.

**Target #1:** Complete 90% of all work requests on time.**Measure #1:** Percentage of work requests completed on time.

## Percentage of work order requests completed timely

Year	YTD
FY 2005	85%
FY 2006	69%
FY 2007	90%

*Results are reported on a state fiscal year basis.*

**Analysis of results and challenges:** Completion rates have increased substantially as more effort is directed toward routine maintenance work items. Work completion rates were also reviewed, discussed with our customers and lengthened to be more realistic. Tracking work order completion rates is a useful tool for managers to determine how long it takes to complete the work requested. On-time completion means within 24 hours of notification for emergency or urgent type work orders. For routine work orders, discussions with the requestor results in an expected completion date. That date is entered into the maintenance database as the

scheduled completion date. Anything that is completed prior to or by the expected completion date is considered "on time". Preventative maintenance tasks are prescheduled work orders and are set up by frequency, i.e. monthly, quarterly, annually, etc.

## A2: Strategy - Reduce facility operating costs with new technologies and system upgrades.

**Target #1:** Expend 2% of the annual operating budget (minus utilities) for energy saving upgrades.

**Measure #1:** The percentage of annual expenditures specifically for energy saving upgrades.

### Expenditures for Energy Saving Upgrades

Year	YTD
FY 2005	2.9%
FY 2006	4.2%
FY 2007	2.0%

*Results are reported on a state fiscal year basis.*

**Analysis of results and challenges:** Increasing expenditures in energy conservation measures are extremely important in light of energy cost fluctuations and increases. High efficiency lighting, direct digital control systems for environmental control, building envelope insulation upgrades, occupancy sensors for lighting and HVAC control, and high efficiency window and door systems all contribute to reducing energy consumption.

**Target #2:** Increase preventative maintenance on time completion to 90%.

**Measure #2:** Percent of preventative maintenance completed on time.

### Percent of preventative maintenance completed timely

Year	YTD
FY 2005	95%
FY 2006	84%
FY 2007	95%

*Results are reported on a state fiscal year basis.*

**Analysis of results and challenges:** The Facilities Maintenance Management System is automatically generating preventative maintenance (PM) schedules. PMs are prescheduled work orders and are set up by frequency, i.e. monthly, quarterly, annually, etc. An annual schedule is developed for all the equipment requiring PMs based on the manufacturers recommendations. This is proving to be a valuable tool as crews are receiving reminders and schedules for PM work. Timely PM's will result in reduced breakdowns, crew call outs and replacement costs.

## A3: Strategy - Carry out safe DOT&PF operations.

**Target #1:** 10% increase in employees successfully completing required safety training.

**Measure #1:** Percent of employees completing required safety training.

### Percent of employees completing required safety training

Year	YTD
FY 2005	100%
FY 2006	100%
FY 2007	100%

*Results are reported on a state fiscal year basis.*

**Analysis of results and challenges:** 100% attendance at safety meetings and required training is outstanding. Both the crews and the management of Facilities Maintenance realize the importance of a safe work environment and undertook the initiative to promote safety seriously. This measures mandatory first aid, CPR and safety meeting attendance.

## Key RDU Challenges

The continuing escalation in fuel prices and utility costs results in a larger percentage of the budget being spent to cover these costs, reducing the amount available to cover routine and preventative maintenance items. This results in accelerated deterioration and an increasing deferred maintenance backlog. As the State's public facilities continue to age, Facilities Maintenance and Operations is confronted with an increasing list of deferred maintenance repairs. Other demands include the burden of new laws and regulations. The cost of outsourcing portions of the maintenance work to contractors continues to rise as rates for skilled tradesmen increases. Conversely, it is becoming more difficult to attract and hire qualified journeyman as the pay and benefits are better elsewhere.

The baseline values in the budget for fuel and utilities are based on the FY05 budget. These values need to be increased to accurately reflect existing costs.

Capital funding for major repairs, renewal and replacement of obsolete systems in facilities is inadequate to meet current needs and reduce the accumulated maintenance backlog. DOT&PF's list of deferred maintenance projects is currently at \$55.2 million and continues to accumulate.

## Significant Changes in Results to be Delivered in FY2009

There may be a reduction in on-time completion rates for work requests and a decline in customer satisfaction as facilities specialists take over additional new facilities without a corresponding increase in manpower to maintain those facilities.

Funds are included in this budget request to cover the increased cost of utilities, risk premiums, and commodities associated with facilities currently in the inventory. Increased Capital funding is also being requested to address some of the growing deferred maintenance backlog. If funding is appropriated, life/safety items as well as energy efficiency items will be addressed as priority work tasks.

## Major RDU Accomplishments in 2007

- Actively participated in the partnering agreement and inspection of maintenance stations across the state with the Alaska Department of Labor and Workforce Development – Alaska Occupational Health and Safety (AkOSH) to promote a safe work environment and safe operations.
- Completed Preventative Maintenance (PM) tagging for all facilities.
- Performed over 2,400 Work Orders
- Prepared and administered over 35 service and repair contracts
- Completed roof repair or replacement at 5 buildings
- Completed heating upgrades at 4 maintenance camps

### Contact Information

**Contact:** Frank Richards, Deputy Commissioner  
**Phone:** (907) 465-3900  
**Fax:** (907) 586-8365  
**E-mail:** Frank.Richards@alaska.gov

**Statewide Facility Maintenance and Operations  
RDU Financial Summary by Component**

*All dollars shown in thousands*

	FY2007 Actuals				FY2008 Management Plan				FY2009 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
<b><u>Formula</u></b>												
<b><u>Expenditures</u></b>												
None.												
<b><u>Non-Formula</u></b>												
<b><u>Expenditures</u></b>												
Central Region Facilities	5,193.8	0.0	1,313.2	6,507.0	4,739.1	0.0	1,448.3	6,187.4	5,864.5	0.0	1,228.5	7,093.0
Northern Region Facilities	7,220.8	40.3	3,463.1	10,724.2	7,556.7	177.0	3,284.6	11,018.3	8,593.1	128.5	2,613.6	11,335.2
Southeast Region Facilities	1,176.0	0.0	230.5	1,406.5	1,078.9	0.0	279.0	1,357.9	1,228.3	0.0	179.8	1,408.1
<b>Totals</b>	<b>13,590.6</b>	<b>40.3</b>	<b>5,006.8</b>	<b>18,637.7</b>	<b>13,374.7</b>	<b>177.0</b>	<b>5,011.9</b>	<b>18,563.6</b>	<b>15,685.9</b>	<b>128.5</b>	<b>4,021.9</b>	<b>19,836.3</b>

**Statewide Facility Maintenance and Operations  
Summary of RDU Budget Changes by Component  
From FY2008 Management Plan to FY2009 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2008 Management Plan</b>	<b>13,374.7</b>	<b>177.0</b>	<b>5,011.9</b>	<b>18,563.6</b>
<b>Adjustments which will continue current level of service:</b>				
-Central Region Facilities	276.0	0.0	-470.5	-194.5
-Northern Region Facilities	503.2	-48.5	-671.0	-216.3
-Southeast Region Facilities	73.9	0.0	-99.2	-25.3
<b>Proposed budget increases:</b>				
-Central Region Facilities	849.4	0.0	250.7	1,100.1
-Northern Region Facilities	533.2	0.0	0.0	533.2
-Southeast Region Facilities	75.5	0.0	0.0	75.5
<b>FY2009 Governor</b>	<b>15,685.9</b>	<b>128.5</b>	<b>4,021.9</b>	<b>19,836.3</b>